Message Text

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PAGE 01 CANBER 05237 030837Z ACTION EA-12

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E.O. 11652: GDS TAGS: MASS, AS

SUBJECT: CONGRESSIONAL INQUIRY: GOA SALE OF EXRAFF C-130S

REF: STATE 167943

- 1. USDAO/FMS (LT COLONEL TAYLOR) WAS CONTACTED AT 0930, 3 JULY, AUSTRALIAN TIME BY MR. H. W. BLOODWORTH. MR. BLOODWORTH, A REPRESENTATIVE FROM GLOBAL SALES, RELATED BASICALLY THE INFORMATION CONTAINED IN STATE 167943. A PHONE CALL TO ADOD DURING BLOODWORTH'S VISIT CONFIRMED THAT THE TENDERS HAVE BEEN OPENED BY THE MINISTER OF ADMINISTRATIVE SERVICES, AND THAT A FINAL DECISION MAY BE MADE 3 JULY, OR AT LEAST THIS WEEK. NO COMMENT WAS RECEIVED ON THE POSSIBILITY OF RETENDER FOR THE SALE.
- 2. GOA HAD, WE UNDERSTAND, PREVIOUSLY REQUESTED AND RECEIVED USG-APPROVAL FOR TENDERING FOR THE SALE, CONTINGENT UPON SATISFACTORY ASSURANCES ABOUT END-USE AND RETRANSFER, AND SUBSEQUENT FORMAL USG APPROVAL OF THE SALE. YOU SHOULD KNOW, HOWEVER, THAT A PREVIOUS USDAO/FMS EFFORT TO ELICIT INFORMATION FROM ADOD MET WITH THE REBUFF THAT QUESTIONS ABOUT THE C-130 TENDER WERE BEING HANDLED DIRECTLY BY AUSTRALIAN CONFIDENTIAL

CONFIDENTIAL

PAGE 02 CANBER 05237 030837Z

DEPARTMENT OF ADMINISTRATIVE SERVICES WITH DSAA.

SINCE THE TENDER WINNER HAS NOT BEEN ANNOUNCED, AND
SINCE THE GOA TENDERING PROCESS HAS COME UNDER FIRE
IN THE RECENT IBM/FACOM DUSTUP, IT WOULD BE DIFFICULT
FOR US TO MAKE ANY DIRECT APPROACHES ON BEHALF OF
GLOBAL SALES WITHOUT BEING SUSPECTED OF ATTEMPTING TO
INFLUENCE THE GOA'S TENDERING PROCESS. FURTHERMORE,

IT WOULD ALMOST UNQUESTIONABLY LEAD TO SUSPICIONS ABOUT HOW GLOBAL SALES GOT THE INFORMATION THEY APPARENTLY HAVE ABOUT THEIR BEING THE "SECOND" RANKED BIDDER WITH TENDERS HAVE ALLEGEDLY NOT YET BEEN ANNOUNCED.

- 3. AT 1045 LOCAL TIME, LT. COLONEL TAYLOR DISCUSSED MR. BLOODWORTH'S VISIT WITH THE ADOD DIRECTOR OF SUPPLY STUDIES, WHO IS RESPONSIBLE FOR TECHNICAL, NOT POLITICAL, QUESTIONS RELATING TO THE C-130A SALE. APPARENTLY, THE RAAF NO LONGER CONTROL THE OWNERSHIP OF THE AIRCRAFT SINCE OWNERSHIP AND RIGHTS OF SALE HAS PASSED TO THE MINISTER OF ADMINISTRATIVE SERVICES.
- 4. MR. BLOODWORTH CALLED AGAIN ABOUT 1315, 3 JULY AND ASKED FOR A COPY OF REFTEL BUT WAS TOLD THAT THIS SHOULD BE REQUESTED IN WASHINGTON RATHER THAN FROM US. (FYI, WE BELIEVE THERE IS A CHANCE THAT HE MIGHT ATTEMPT TO USE A COPY OF THE TELEX TO SHOW THE MINISTER OF ADMINISTRATIVE SERVICES THAT U.S. GOVERNMENT APPROVAL HAD BEEN GIVEN.) HE EXPRESSED CONTINUED CONCERN ABOUT MONEY (SEVERAL THOUSAND DOLLARS) ALREADY EXPENDED, AND WOULD RATHER NEGOTIATE THE CURRENT BID (UPWARDS) THAN REOPEN TENDERS AND ALLOW OTHER BIDDERS TO USE THE DELIVERY METHODS DEVELOPED BY GLOBAL. SQUIRE

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